

Report from the

Committee on Economic Incentives and Entrepreneurship

TO THE
PRESIDENTIAL
TASK FORCE
ON EMPLOYMENT
OF ADULTS WITH
DISABILITIES

Co-Chair:

Aida Alvarez, Administrator
Small Business Administration

Co-Chair:

Tony Coelho, Chairman
President's Committee on Employment of People with Disabilities



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

OFFICE OF THE ADMINISTRATOR

Honorable Alexis M. Herman
Secretary of Labor
Washington, DC 20210

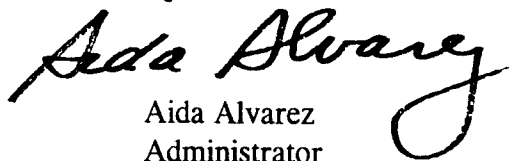
Dear Madam Secretary:

I am pleased to forward to you the report of the Committee on Economic Incentives and Entrepreneurship for inclusion in the 1999 report to the President from the Presidential Task Force on Employment of Adults with Disabilities. The Committee, that I co-chaired with Tony Coelho, Chairman of the President's Committee on Employment of People with Disabilities (PCEPD), has been charged with the responsibility for ensuring that Federal agencies eliminate barriers to employment faced by adults with disabilities.

We are excited by the progress the Committee has made in identifying and removing institutional obstacles to employment by people with disabilities. As a result of our work, several memoranda of understanding have been developed to increase outreach, technical assistance and training to adults with disabilities interested in entrepreneurship. In addition, we hope as a result of our partnerships and activities to better coordinate the delivery of Federal programs and services to this untapped community.

The Committee looks forward to continuing to work to ensure that all Americans with disabilities have the opportunity to become self-sufficient through entrepreneurship.

Sincerely,



Aida Alvarez
Administrator

Background

The Committee on Economic Incentives and Entrepreneurship developed from the Work Group on Small Business and Entrepreneurial Opportunities formed in response to section 2(C) of Executive Order 13078. *Re-charting the Course*, the Task Force's first report to the President, called for the formation of this Federal interagency committee to analyze programs and policies of Federal departments and agencies to determine the kinds of changes and innovations needed to remove the barriers to employment faced by adults with disabilities. More specifically, this Committee is charged with developing recommendations and taking actions to increase small business and self-employment opportunities for adults with disabilities.

This Committee, chaired by Aida Alvarez, Administrator of the Small Business Administration (SBA) and co-chaired by Tony Coelho, Chairman of the President's Committee on Employment of People with Disabilities (PCEPD), is comprised of senior level representatives from the following agencies: the SBA, PCEPD, the Department of Labor (DOL), the Department of Treasury, the Department of Veterans Affairs (VA), the Department of Transportation (DOT), the Department of Education (ED), the Social Security Administration (SSA), the Committee for Purchase from People Who Are Blind or Severely Disabled, the Department of Housing and Urban Development (HUD), the Department of Commerce (DOC), and staff of the Presidential Task Force on Employment of Adults with Disabilities (Task Force). John Lancaster with PCEPD and Lydia Bickford with the SBA chair the Committee on behalf of Administrator Alvarez and Chairman Coelho.

From attitudinal barriers to lack of coordination among Federal programs, *Re-charting the Course* identified an array of obstacles confronting adults with disabilities who want to start a business. They face the potential loss of cash benefits from Social Security or Supplemental Security Income (SSI) disability programs, loss of health care benefits associated with cash programs, and the possible loss of housing and other subsidies.

The entrepreneur with a disability often cannot access the capital needed to start a business. People with disabilities frequently do not have satisfactory credit ratings because of their inability to find employment, and they lack assets to use as collateral because the benefit programs that have provided their income do not provide sufficient funds for both living expenses and savings. Many income support programs also have rules that severely limit ability to accumulate capital.

People with disabilities often lack information on how to start a business or write a business plan. Existing programs for people with disabilities frequently do not support or encourage self-employment and entrepreneurship, and programs promoting self-employment and small business development historically have not been marketed to people with disabilities. Other obstacles include unavailability of bonding, inability to obtain insurance, restricted access to support networks, lack of knowledge about bidding opportunities, and discrimination based on misguided stereotypes about the capabilities of people with disabilities.

Despite these and many other barriers, *Re-charting the Course* noted that people with disabilities have a higher rate of self-employment and small business experience than people without disabilities (12.2 percent versus 7.8 percent), and nearly a third of vocational rehabilitation clients polled nationally have said they would choose self-employment as an outcome of vocational rehabilitation. Nevertheless, the Rehabilitation Services Administration (RSA) reports that in 1997 only 2.69 percent of 223,668 vocational rehabilitation clients with successful closures became self-employed or started a small business.

With the majority of new jobs being created by small and medium sized businesses, self-employment has become one of the fastest growing employment options in the United States, showing a 23 percent increase between 1976 and 1983, and, by 1990, the number of Americans who were self-employed had increased another 10 percent. By 1998, small businesses represented over 99 percent of all employers, employed 52 percent of the private sector workers, provided 51 percent of the pri-

vate sector output, and provided virtually all of the net new jobs. The entire structure of the U.S. labor market is changing with contingent and contracted employment, and self-employment all on the rise.

Small business ventures, with the right policy and program innovations, hold limitless possibilities for increasing the employment rate of a population that has historically shown a strong interest in entrepreneurship. Promoting small business and entrepreneurial opportunities has the potential to dramatically increase the employment rate of adults living with a range of disabilities, whether sensory, cognitive, physical or mental.

Committee Actions

Memoranda of Understanding and Other Partnerships

The Committee on Economic Incentives and Entrepreneurship began meeting in March 1999 and immediately addressed the need for increased coordination among the Committee member agencies. Several memoranda of understanding and other partnerships have been developed to increase outreach, technical assistance and training to adults with disabilities interested in entrepreneurship.

- *SBA, PCEPD and the Task Force have entered into an agreement to increase entrepreneurial opportunities for people with disabilities by developing local networks of Federal, State, and local agencies and private sector entities involved in promoting and financing small businesses and those serving people with disabilities.*

The involved agencies will coordinate with other members of the Committee to convene a series of seminars and workshops to be held in cities and towns across the country beginning in FY 2000. These activities will have two goals: 1) to establish a partnership between the local disability community and the public and private small business resources in their area; and 2) to educate potential entrepre-

neurs with disabilities about small business options, procedures and resources.

Meeting participants will represent local SBA and SSA offices, Small Business Development Centers, independent living centers, Service Corps of Retired Executives (SCORE), local financial institutions, micro-loan agencies, HUD's EZ-EC and Section 3 programs, college or university based small business programs, Veterans Affairs, SBA's HubZones, and other Federal agencies, chambers of commerce, vocational rehabilitation offices, organizations representing people with disabilities, and other private and public entrepreneurial agencies present in the community.

This initiative is being supported through funding from several Committee member agencies including the PCEPD, SBA, SSA, HUD and the Task Force. Other members of the Committee have committed personnel and other resources to this project.

- *The President's Committee is working with the SBA and RSA to create a training program that will include three one-hour modules on self-employment and entrepreneurship for people with disabilities.*

The program is intended to reach three audiences: people with disabilities who need to know where the resources are, people who do small business counseling or teach business in universities or community colleges, and people who work in disability related support programs, such as vocational rehabilitation counselors and people who work in independent living centers.

- *The SBA and SSA have entered into a memorandum of understanding to mutually promote SBA's Welfare to Work Initiative and SSA's employment support provisions.*

The Social Security Disability Insurance program and the Supplemental Security Income (SSI) program include incentives and employment support provisions to help beneficiaries move into the workforce either as employees or as entrepreneurs. SSA's Office of Employment Support Programs has centralized responsibility for improving SSA's policies and service to people with disabilities who want to work.

This coordinated initiative between SSA and SBA will encourage local SBA/Office of Entrepreneurial Development (OED) staff to form partnerships with local SSA offices in their area, provide SBA services to SSA's clients with disabilities who want to explore entrepreneurship, encourage SSA's field staff to form partnerships with SBA/OED in their area, and provide SBA/OED with information on employment supports available to beneficiaries with disabilities. In addition, SSA and SBA are exploring the joint development of a segment for SBA's online "Small Business Classroom" on disability-related issues that impact small businesses.

- *The Committee for Purchase from People Who Are Blind or Severely Disabled, in coordination with its Javits-Wagner-O'Day (JWOD) Program partners, National Industries for the Blind (NIB) and NISH (serving people with a range of severe disabilities), is developing a Memorandum of Understanding (MOU) with the SBA. This MOU will promote greater awareness of the resources which both programs offer and encourage the development of new partnerships at the local level where JWOD participating nonprofit agencies and SBA offices serve people with disabilities. A similar MOU initiative to encourage partnerships at the local level with SSA will also be considered.*
- *Using funds provided by the Department of Education, SBA assisted in the production of a show featuring a successful entrepreneur with a disability for the Public Broadcasting System's Small Business 2000 series.*

The PBS show made a powerful statement about overcoming obstacles and considering self-employment as a viable option for people with disabilities. It featured Bill Mellaris, a self-employed home builder identified by the President's Committee on Employment of People with Disabilities. It included an interview with Betsy Myers, then SBA Assistant Deputy Administrator for Entrepreneurial Development, and aired on about 200 public television stations. A copy was distributed to every SBA District Office.

- *A co-sponsorship agreement between the U.S. Department of Justice (DOJ) Civil Rights Division and SBA produced approximately 15,000 copies of a pamphlet entitled "ADA Guide for Small Businesses."*

This publication on the Americans with Disabilities act (ADA) was delivered to SBA field offices for distribution to small business clients. The City of Fresno, California requested 1,000 copies for entrepreneurs there. A second printing was prepared in Spanish. The pamphlet contains information on the ADA, public accommodations, architectural barriers, tax credits, policies and procedures, communicating with customers, and sources for additional information.

- *SSA held a training seminar entitled "Entrepreneurs with Disabilities: Challenges and Solutions." This session was one in a series of seminars SSA is hosting in cooperation with faculty provided by the National Academy of Social Insurance.*
- *The SBA and Harvard Business School Publishing (HBSP) have teamed up to provide free, on-line information and learning tools to small business owners through the SBA's Small Business Classroom.*

The conference participants explored ways SSA could assist beneficiaries who want to enter or reenter the workforce through self-employment or small business start ups. These recommendations will be evaluated by SSA and shared with the Task Force. The recommendations centered on SSA's Plans For Achieving Self-Support (PASS) and other work incentives, and the promotion of self-employment and entrepreneurship as an option in vocational rehabilitation programs. The need for guaranteed loans to acquire the capital to start a business was also discussed.

- *SBA is developing a disabilities Web page for use by small business owners, SBA offices, resource partners, entrepreneurs with disabilities, and potential entrepreneurs.*

The Web page will provide information on resources for small business owners and people with disabili-

ties across the Federal government. SSA, SBA, PCEPD, VA and the Task Force will link their Web sites so that people with disabilities seeking entrepreneurial opportunities can find all the information they require relating to financing, work incentives, technical support and training.

- *SSA and Veterans Affairs (VA) are working to develop a Memorandum of Understanding (MOU) relating to the employment support issues in their respective programs.*

The agreement will develop a stronger working relationship between VA and SSA involving the dissemination of information about available services. This MOU may include the development of joint training programs at field offices to coordinate efforts and share information is critical to improving the service provided to veterans with disabilities.

- *Development of a Joint SBA and Department of Labor Office of Small Business Programs database and link with PRO-Net.*

DOL's Office of Small Business Programs (OSBP) is working with SBA to develop a joint database of small business owners with disabilities to conduct direct outreach. In FY 1999, OSBP identified over 1,600 small businesses whose owners are disabled veterans through the Small Business Administration's PRO-Net. PRO-Net, the SBA's Procurement Marketing and Access Network, is an Internet-based database of information on more than 171,000 small, disadvantaged and women-owned businesses. It is free to Federal and State agencies seeking small business contractors. After discussions with SBA, OSBP received general contact information on these 1,600 small businesses. In the first quarter of FY 2000, OSBP will create a database to conduct direct outreach to them.

Other Committee Member Initiatives

Small Business Administration

SBA provides financial, technical and management assistance to help Americans start, run, and develop their businesses. SBA has established goals to assure

the delivery of SBA programs and services to people with disabilities, assist small businesses in need of qualified workers by directing them to sources of qualified people with disabilities, and to work to remove barriers to entrepreneurial opportunities faced by people with disabilities.

SBA has developed a *Welfare to Work Tool Kit* that includes information on working with people with disabilities, as well as a PowerPoint disability awareness training for its entrepreneurial development field staff.

In addition, SBA has initiated many outreach efforts through its field offices including:

- *The Birmingham District Office's Small Business Development Consortium has developed a cooperative agreement with the Alabama Department of Rehabilitation Services to provide counseling and training about small business to persons with disabilities.*
- *The Little Rock District Office works with individuals with disabilities who may qualify for the 8(A) program, and has provided interpreters at workshops for people who are deaf.*
- *The Los Angeles District Office represented SBA at the first Town Hall meeting of the Task Force on June 3, 1999.*
- *The San Antonio District Office held a full day of training for individuals with disabilities interested in starting a business.*

Department of Commerce

The Department of Commerce is working to ensure that people with disabilities are included in the programs of the Economic Development Administration (EDA). The EDA has proposed requesting additional information in its Revolving Loan Fund Program (RLF), which is available to small businesses. The information to be collected includes: 1) members of the RLF Boards, including disability information; and, 2) recipients' plans to market RLF's to prospective borrowers, including businesses managed or directed by people with disabilities. EDA will monitor

these activities through semi-annual and annual reports submitted to them.

The EDA has also added to its Civil Rights Guidelines a requirement that written notices of specific employment opportunities should be sent to community organizations representing the interests of people with disabilities. These changes will be reflected in the revised Civil Rights Guidelines which are currently pending final approval from DOJ and the Office of Management and Budget (OMB).

The Department of Commerce's National Telecommunications and Information Administration (NTIA) serves as the principal executive adviser to the President on telecommunications and information policy matters. In that role, NTIA provides technical and policy recommendations in support of increased accessibility for individuals with disabilities to the Federal Communications Commission (FCC), which has regulatory authority over telecommunications industries.

NTIA administers two grant programs that provide funding for public telecommunications facilities and national information infrastructure resources for communities throughout the United States. NTIA awards grants to public organizations for programs that provide public information and education that facilitate the employment of adults with disabilities.

The Telecommunications and Information Infrastructure Assistance Program (TIIAP) is a merit based grant program that brings the benefits of the national information infrastructure to communities throughout the nation. Matching grants are provided to non-profit organizations including schools, libraries, and State and local governments. The grants are used to purchase computer equipment and software, to provide computer training and to purchase telecommunications services including Internet access. In FY 1999, \$1.9 million in TIIAP grants were awarded to the following organizations:

- *The Recording for the Blind and Dyslexic organization received \$385,000 to explore Internet audio format delivery of educational material to people with visual impairments and learning disabilities at educa-*

tional institutions in Arizona, California, Florida, Montana and Texas.

- *Minot State University in North Dakota received \$560,000 to develop a project to make Internet resources available to adults with mental retardation. The Minot State University-Affiliated North Dakota Center for Persons with Disabilities is collaborating on this project with eight non-profit agencies that provide residential and vocational services for 1,100 adults with mental retardation in North Dakota.*
- *The San Francisco Department of Public Health received \$598,000 to develop a centralized information referral system for 68 non-profit and government organizations that provide health and social services to low-income persons living with HIV/AIDS.*

The Public Telecommunications Facilities Program (PTFP) provides matching grants for the planning and construction of public telecommunications facilities. PTFP objectives include the provision of grants for public telecommunications services and facilities operated by minorities and women, and distance learning telecommunications facilities that use non-broadcast technologies and the Internet. PTFP awards grants to organizations that assist adults with disabilities. In the last announced round of PTFP grants, the following organizations received grant funding:

- *WMHT Educational Telecommunications, a public radio station in Schenectady, New York, received a \$54,000 grant for a new audio system for the station's 24-hour reading service for people who are unable to use printed material.*
- *The Niagra Frontier Radio Reading Service, Inc., which serves visually-impaired residents of western New York, was awarded \$30,000 to replace worn-out studio equipment.*

NTIA has requested additional funding for its grant programs. If this funding is approved, NTIA will have an enhanced opportunity to consider grant requests from organizations that provide public information and education services promoting

employment of adults with disabilities. NTIA is also planning to expand its information outreach to these organizations to promote their participation in the competitive grants process. This should increase grant applications from organizations that provide services, including distance learning programs, to individuals with disabilities.

NTIA will explore the participation of other relevant agencies as possible partners in creating an Internet-accessed inventory of information on assistive technology.

Department of Transportation

The DOT is undertaking several initiatives that will enhance the mobility and access of people with disabilities. These initiatives will assist entrepreneurs with disabilities as they travel to client's sites, conduct business with suppliers or attend Chamber of Commerce meetings.

To ensure that ADA requirements are implemented in every community, DOT recently announced new initiatives, which include eliminating liability caps for wheelchairs and other assistive devices damaged aboard airlines; new ways to achieve maximum access for sidewalks, trails, and airports; and a new Web site (www.dot.gov/accessibility) that provides more information on transportation access issues. In addition, a newly created accessibility task force, comprised of representatives from all modes of transportation, will continue to operate within the Department.

Additional activities underway by DOT include:

- *Development of a consumer booklet on adapted/modified personally-owned motor vehicles used by drivers with disabilities;*
- *Creation of a disability resource center, to provide centralized, quick, and efficient reasonable accommodations for DOT employees with disabilities;*
- *Inclusion of accessibility provisions in the General Services Administration (GSA) solicitation for a new headquarters building for DOT. Provided expert advice to GSA on*

what to include, and obtained Access Board review of the solicitation documents;

- *Development of a new tracking system for Air Carrier Access Act complaints by persons with disabilities against airlines.*

DOT is looking at ways to encourage States to use an authorized 1/2 of 1 percent of Federal highway funds available for training and supportive services to be focused on people with disabilities.

DOT is reconsidering the use of formats which are more amenable to use by screen readers, such as PDF (portable document format) files, on its Web site, to provide more accessibility to users who are blind.

DOT continues to work on the initiatives described in the November 1998 Report of the Task Force, including working with the Department of Health and Human Services on a Mobility and Access Council. The Council has as one of its projects the development of an accessible human services vehicle to provide greater access to human services, while lowering costs and increasing efficiency of the systems now in use by many service providers. "Intelligent Transportation Systems" are under consideration for routing and scheduling such vehicles more efficiently, thereby reducing delay and time in transit for users with disabilities.

DOT is considering acquisition of a knowledge management system (KMS) to provide technical assistance through a database containing all of DOT's accessibility regulations, statutes, and policies. The KMS system would also be a useful training tool for employees, provide an audit trail, and provide Government Performance and Results Act data.

Social Security Administration

The SSA recently established a new component, the Office of Employment Support Programs (OESP), to consolidate and bring a single focus to its efforts to enhance service to people with disabilities who want to work. The mission of OESP is to plan, implement, and evaluate SSA programs and policies that promote the employment or self-employment of Social Security Disability Insurance (SSDI) benefi-

ciaries and Supplementary Security Income (SSI) recipients with disabilities.

Many SSA work incentive provisions apply to both employment and self-employment. One of these is the Plan for Achieving Self-Support, or "PASS" program. Under the PASS provisions an individual can submit to SSA a plan that identifies what she or he needs to do or acquire to start a business, lists the expenses involved, and dedicates existing income to these expenses. Each PASS that involves self-employment must include a detailed business plan. SSA expects to implement a provision by the end of this year that will extend the allowance period for new business operating expenses under its PASS plan from 12 to 18 months.

For purposes of Social Security benefits, disability is defined in part as the "inability to perform substantial gainful activity" (SGA). On June 1, 1999, as part of a Task Force recommendation, SSA raised the amount of earnings that ordinarily demonstrate the performance of SGA (except where blindness is involved) from \$500 to \$700 a month. Earnings are one of the factors taken into account in determining whether a self-employed person is performing SGA but, where they are an important factor, this increase may permit a disability beneficiary to earn more without risking loss of benefits.

Department of Education, Rehabilitation Services Administration

The Rehabilitation Act of 1973, as amended, authorizes the State Vocational Rehabilitation (VR) Services Program, operated by the Rehabilitation Services Administration (RSA). At present, the VR program is funded at \$2.4 billion and serves approximately 1.3 million people each year. More than 220,000 of them annually enter or return to the competitive labor market or become self-employed.

The State VR Services Program assisted 5,523 individuals with disabilities to achieve a self-employment outcome in FY 1997 (the latest year that statistics are available). These individuals represent 2.69 percent of the 223,668 individuals who achieved an employment outcome in that fiscal year. Another 270 individuals (.1 percent of total) achieved an

employment outcome under the State-operated business enterprise program.

Under a discretionary grant program to fund innovative approaches to the delivery of VR services, RSA has funded seven Special Projects and Demonstrations to Increase Choice. None of these projects initially planned to focus on self-employment, however, a significant number of project participants requested this option. While the number of participants seeking self-employment varies by project, in general, 20-30 percent of project participants achieved or are currently working towards self-employment.

RSA has a sub-objective in its FY 1999 and FY 2000 Operational Plan to encourage self-employment as a viable employment outcome under the State VR Services Program. RSA will analyze the recommendations in a related Institute on Rehabilitation Issues document, produced by the National Institute on Disability and Rehabilitation Research, for policy and regulatory revision guidance. RSA is developing a technical assistance issuance that will reiterate the new provisions of the 1998 Rehabilitation Act Amendments that focus on self-employment and telecommuting.

Self-employment was also highlighted in several regional employment conferences during FY 1999 and will be a major track at the National Employment Conference that is planned for the summer of 2000. This will include the dissemination of information on best practices in the field.

RSA has received a legal interpretation from the Department of Education's Office of General Counsel that State VR agencies can provide loan guarantees for eligible VR consumers seeking loans to start businesses. RSA will provide this interpretation and other related information to State VR agencies.

RSA will soon finalize its data collection and performance measurement system. Comments received about the potential impact of certain performance indicators on self-employment under the system have been carefully considered and are being addressed in these revised procedures.

RSA has recently announced a special priority inviting demonstration projects to increase self-employment, telecommuting or business ownership for Native Americans with disabilities who reside on or near reservations or in urban settings. These demonstration projects will be funded in FY 2000. It is expected that 14-16 projects will be awarded at an average of \$275,000 each.

RSA is working to develop a major policy initiative supporting self-employment and small business as outcomes for people with disabilities. The initiative directs RSA's State partners to recognize their obligation to present entrepreneurship to their clients as an acceptable outcome at the same time they discuss other employment options.

Department of Treasury

The Department of the Treasury (Treasury) helped develop the Administration's FY 2000 Budget proposal that called for a \$1,000 tax credit to workers with disabilities. The credit would cost about \$700 million over five years. Treasury also supported the extension for an additional year of the Work Opportunity Tax Credit and the Welfare-To-Work Tax Credit, both of which may be claimed by employers who hire certain classes of workers that include significant percentages of workers with disabilities.

Treasury helped develop the Hope Scholarship and Lifetime Learning tax credits for higher education tuition expenses enacted in 1997, and has helped develop the tax credit for employer-provided Workplace Literacy and Basic Education proposals (10 percent of eligible expenses, to a maximum of \$525 per participating employee) in the Administration's FY 2000 Budget. Although not targeted specifically at workers with disabilities, the Hope Scholarship tax credit provides up to \$1,500 per student for each of the first two years of post-secondary education, while the Lifetime Learning tax credit provides up to \$1,000 per year (\$2,000 after 2002) for any postsecondary education.

The Community Development Financial Institutions (CDFI) Fund is a wholly-owned government corporation within the Treasury. Its mission is to promote access to capital and local economic growth by

directly investing in and assisting community development financial institutions and expanding financial service organizations' lending, investment and services within underserved markets.

The CDFI Program has three funding components: Core, Intermediary and Technical Assistance. These three components promote the CDFI Fund's goal, articulated in its strategic plan, of strengthening the expertise and the financial and organizational capacity of CDFIs to address the needs of the communities that they serve. CDFIs include community development banks, community development credit unions, non-profit loan funds, micro-enterprise loan funds, and community development venture capital funds.

Although no program is designed exclusively for people with disabilities, the Fund provides financial and technical assistance to many organizations owned or operated by adults with disabilities and organizations that serve people with disabilities and other people lacking adequate access to capital, credit and other financial services. CDFI will explore ways these programs might be leveraged to increase entrepreneurial opportunities for adults with disabilities.

Department of Labor, Employment and Training Administration (ETA)

The Employment and Training Administration's Disability Employment Grants program, the one that is most applicable to small business and entrepreneurship, currently funds the Montana Job Training Partnership, Inc. This organization provides intensive training to Job Training and Partnership Act (JTPA) training providers on the use of the SSA's PASS program and other work incentives. It is helping individuals set up their own businesses with seed monies from PASS and other leveraged funds. They are also using the SSI/SSDI work incentives to support small businesses in hiring individuals with disabilities.

The Micro-enterprise Grant Program, administered by DOL/ETA, was authorized under the JTPA to: 1) train program staff in such entrepreneurial activities as business plan development, business manage-

ment, resource inventory design, and marketing approaches, and other activities necessary to provide effective entry-level training to persons developing a micro-enterprise; 2) to provide owners or potential owners of a micro-enterprise such technical assistance (including technical assistance with respect to business planning, securing funding, marketing, and production of marketing materials) and other assistance as may be necessary to develop micro-enterprise activities; and 3) to provide micro-enterprise support (such as peer support programs and counseling). Whether through DOL or other Committee member agencies, this program, due to expire in January 2000, should be continued to support entrepreneurs with disabilities.

The Committee for Purchase from People Who Are Blind or Severely Disabled

The Committee for Purchase is an independent Federal agency. It administers a mandatory source procurement program authorized by the Javits-Wagner-O'Day (JWOD) Act. Under this program, Federal agencies purchase products and services furnished by State or private nonprofit agencies employing people who are blind or have other severe disabilities. The primary focus of the program is the provision of opportunities for people with severe disabilities to work for non-profit Federal contractors rather than to become self-employed entrepreneurs. However, it offers training and other resources which can help further entrepreneurial goals.

For many individuals JWOD can provide the kind of prerequisite training and experience needed for successful entrepreneurship. The over 600 non-profit organizations and the 33,000 individuals with severe disabilities participating in the program must meet the same commercial standards that all other Federal contractors meet, whether it be for precision-made machine parts or high quality copying and mailing services. Opportunities to work in supervisory and management positions are available, and a number of the agencies associated with National Industries for the Blind (NIB) and NISH (serving people with a range of severe disabilities) under the JWOD Program participate in small business incubator and microenterprise programs.

In addition to the memorandum of understanding with SSA mentioned earlier in this report, JWOD is working to further develop its management training opportunities for people with disabilities and to foster greater awareness of the business incubator and microenterprise programs with which its participating agencies are involved.

President's Committee on Employment of People with Disabilities

The President's Committee convened a "Blue Ribbon Panel on Self-Employment, Small Business and Disability" in the summer of 1998. Experts on facilitating self-employment and small business ownership for people with disabilities met to discuss ways to increase opportunities for entrepreneurs with disabilities. A report on the findings of this panel should be issued in early 2000 and will guide the future work of this Committee.

President's Committee staff are working with Congressional staff members to include a focus on entrepreneurs with disabilities in the next reauthorizing statute for the Small Business Administration and on legislation to ensure that disability issues will be included in future Federally-sponsored conferences on small business.

PCEPD has contracted with West Virginia University, operator of the Committee's Job Accommodation Network, to establish the Small Business-Self-Employment Service, which became available in October 1999. This service is a source of comprehensive information about entrepreneurship for people with disabilities, including a Web page with links to other entrepreneurship sites, such as the SBA, and a telephone counseling service.

The President's Committee will continue to work with the SBA, RSA and other Federal agencies to further identify and address policies, practices, regulations and laws which inhibit entrepreneurs with disabilities. The Committee will identify successful people with disabilities who are self-employed or own small businesses to serve as role models and publicize best practices in support of entrepreneurs with disabilities.

Each year the President's Committee presents the Evan Kemp Entrepreneurship Award to a person with a disability who is successfully operating a small business. The 1999 award was presented to the owner of a growing speciality packaging manufacturer at a breakfast sponsored by SBA during its Small Business Week. The award is named after the late Evan Kemp, a successful entrepreneur with a disability who also served as Chair of the Equal Employment Opportunity Commission.

Department of Housing and Urban Development

Employment is often a prerequisite to obtaining affordable housing. The Department of Housing and Urban Development (HUD) recognizes that difficulties in obtaining decent, safe, sanitary, affordable, and accessible housing affect the ability to obtain employment as well as access to public services and transportation to reach that employment.

In September 1999, HUD Secretary Andrew Cuomo submitted the Department's report, *Opportunity for All: Jobs for Adults with Disabilities*, to the Task Force. This report, required by section 2(d) of Executive Order 13078, details HUD's work on this Committee as well as their efforts in other areas.

Since 1994, disability rights advocacy groups have met with the Secretary of HUD to voice their concerns about housing policies and fair housing rights for people with disabilities. These meetings have involved the Office of the Secretary, the Office of Fair Housing and Equal Opportunity and all of HUD's primary program offices. HUD has taken several actions in response to these meetings, including:

- Encouraging "visitability" (providing at least one no-step entry door and other doors within dwellings that provide a wheelchair-accessible clear opening) in HUD housing programs;
- Earmarking a portion of Fair Housing Initiatives Program (FHIP) funds for certain disability-related activities;

- Taking steps to increase the use of HUD funding sources to provide funds for housing modifications;
- Including accessibility questions in the survey instrument used by the Real Estate Assessment Center for inspections of HUD assisted properties;
- Issuing a directive to all recipients of HUD funds reminding them of their obligations under Section 504 of the Rehabilitation Act; and
- Conducting a review of the model building codes for consistency with the accessibility requirements of the Fair Housing Act.

HUD will also work with the Task Force Committees to:

- Increase the number of contracts awarded by HUD to businesses owned by and/or employing people with disabilities;
- Include disability advocacy groups in HUD's invitations to its annual Small Business Opportunity Fair; and
- Explore ways through which the Empowerment Zones/Enterprise Communities Initiative can be used to increase self-employment opportunities for adults with disabilities.

Department of Veterans Affairs

The Department of Veterans Affairs' (VA) Vocational Rehabilitation and Counseling Division provides self-employment training to veterans with the most severe service-connected disabilities. A self-employment plan can be approved for qualified veterans only when required because all other reasonable employment goals are unsuitable due to the severity of their service-connected disabilities. Veterans considering self-employment are required to work with SBA's SCORE personnel to evaluate the veteran's potential for running a small business. Market surveys and business plans are developed and the need for and availability of SBA business loans established. The plans are reviewed by the VA with consultation by and with support from SBA in order to reach an agreement on sponsorship by the VA. Veterans are then assisted by a Small Business Develop-

ment Center (SBDC) close to their home to implement the business plan as part of an overall rehabilitation plan.

Next Steps

Empowerment Zones/ Enterprise Communities

The Empowerment Zones/Enterprise Communities (EZ/EC)'s purpose is to create jobs. This initiative combines tax incentives for business development and job creation with a comprehensive approach to community revitalization of the neediest urban and rural regions. Each Federally designated zone is required to create a strategic plan which must be developed in accordance with four key principles: Strategic Vision for Change, Community-Based Partnerships, Economic Opportunity and Sustainable Community Development.

A total of 72 urban areas and 33 rural communities were designated, on a competitive basis, as Empowerment Zones or Enterprise Communities in 1994. In 1997, the EZ/EC initiative reached \$4 billion of new private investment attracted to distressed areas since the program began, creating 20,000 jobs and providing job training and education for 45,000 EZ/EC residents. Fifteen communities were selected as Round Two Empowerment Zones in 1999. Workforce development activities in the designated communities — such as job creation, job training, and entrepreneurial support — may be funded through Federal Social Services Block Grant funds and State and local financial resources. FY 1999 funding was \$45 million.

The Committee on Economic Incentives and Entrepreneurship will be looking at ways the EZ/EC initiative can be used to support adults with disabilities interested in entrepreneurship. HUD, as a Committee member, will play a central role in this area.

New Markets Initiative

President Clinton's FY 2000 balanced budget provides for a new initiative designed to create the con-

ditions for economic success by promoting approximately \$15 billion in new investment in urban and rural areas through an array of methods including attraction of venture capital and provision of technical assistance. The Committee, through considering each of these areas, will look at how the New Markets Initiative could support self-employment and small business development among adults with disabilities. This initiative has many facets, including:

- *SBIC's Targeted to New Markets.* For over 40 years, SBA's Small Business Investment Company (SBIC) program has provided roughly \$20 billion in equity and debt financing to more than 85,000 different companies, helping them to grow from small businesses to household names, like AOL and Staples. However, too little of the capital invested has benefitted our cities and rural distressed communities. SBA now will offer more flexibility and new financing terms for SBICs that invest in underserved areas.
- *Community Development Financial Institutions (CDFI) Fund.* The budget proposes to expand funding for the CDFI Fund to \$125 million—a \$30 million increase from 1999. The Fund increases the availability of credit, investment capital, financial services, and other development services in distressed communities.
- *BusinessLINC (Learning, Information, Networking and Collaboration).* The President's FY 2000 budget includes seed money to expand BusinessLINC for new markets in economically distressed communities. BusinessLINC is designed to encourage large businesses to work with small business owners and entrepreneurs.

Telecommuting

The Committee will develop new partnerships to look at ways to increase the level of participation of adults with disabilities in telecommuting enterprises. The telecommuting industry is growing by 20 percent per year, as people are increasingly working from their homes, regardless of the nature or location of the business. Telecommuting benefits

everyone — for example, it decreases road congestion and pollution. In addition, it provides particular benefits to those people with disabilities who have trouble traveling from their homes. The entrepreneurial opportunities for people with disabilities in telecommuting are enormous, including such areas as Web site research, billing, proofreading or customer service. For example, the National Telecommuting Institute has pioneered home-based call center work for people with disabilities

Existing Research/Reports on Self-Employment

The Committee will conduct a review of existing research and reports on entrepreneurship among adults with disabilities (including reports from the Institute on Rehabilitation Issues; the 19th Annual Mary E. Switzer Memorial Seminar; the President's Committee on Employment of People with Disabilities' Blue Ribbon Panel on Self Employment, Small Business and Disability; and the Montana University Affiliated Rural Institute on Disabilities) and consider these findings in its work. Other ideas are being identified through Committee discussions and will be fully evaluated for inclusion in the Committee's agenda.

New Partnerships

The Committee will work to develop new partnerships among Federal and State entities and the private sector to further the goal of increasing self-employment and microenterprise opportunities for adults with disabilities.

Internal Programs/Policies

Committee members will continue the examination of their internal programs and policies and develop recommendations for change that will remove barriers to employment and self-employment of adults with disabilities. Areas for consideration will include refunding of the Microenterprise Grant Program and promotion of procurement opportunities for small business owners with disabilities.

Members of the Committee Economic Incentives and Entrepreneurship

Chair:

Aida Alvarez, Administrator
Small Business Administration

Co-Chair:

Tony Coelbo, Chairman
President's Committee on Employment of
People with Disabilities

Agency members:

Department of Commerce:

Economic Development Administration; Office of
Civil Rights; National Telecommunications
Information Administration

Department of Education:

Office of Special Education and Rehabilitative
Services; Rehabilitation Services Administration

Department of Housing and Urban Development

Department of Labor:

Office of Small Business Programs; Committee for
Purchase; Veterans Employment Training Series;
Employment and Training Administration; Office of
the Assistant Secretary for Policy; Women's Bureau

Department of Transportation:

Office of Civil Rights

Department of Treasury:

Office of Economic Policy; Community
Development Financial Institution Fund; Office of
Technology Assessment

Department of Veterans Affairs:

Vocational Rehabilitation and Counseling

President's Committee on the Employment of People with Disabilities

Small Business Administration:

Office of Veterans Affairs; Office of Entrepreneurial
Development

Social Security Administration:

Employment Support Programs; Disability and
Income Security